

August 25, 2009

A regular meeting of the Council of the City of Bedford, Virginia, was held in the Council Hall of the Municipal Building at 7:00 p.m., August 25, 2009.

Members present: Mayor W. D. Tharp; Councilman Jeffrey B. Hubbard; Councilman Steve C. Rush; Councilman C. G. Stanley, Jr.; Councilman James A. Vest; and Vice Mayor Robert T. Wandrei

Members absent: Councilwoman Mary L. Flood

Staff present: City Manager Charles P. Kolakowski; City Attorney W. W. Berry, IV; and Clerk of the Council Teresa W. Hatcher

Mayor Tharp opened the meeting and led all present in saying the Pledge of Allegiance to the Flag.

Mayor Tharp declared that the minutes of a regular Council meeting held on August 11, 2009, were approved as distributed.

City Manager Kolakowski reported that the Bedford City Police Department was awarded 1st Place in municipal 2 category (police departments with eleven to twenty-five officers) for traffic safety and traffic enforcement throughout the state.

Vice Mayor Wandrei, Chairman of the Water & Sewer Committee, reported that the Committee met regarding facility fees.

Mayor Tharp stated the first item on the agenda "Tower Space Lease with B2X Technologies" was discussed at the last Council meeting and Council requested copies of the lease to review.

The City Manager explained that the City is renting space on two of its towers for companies who wish to offer wireless broadband opportunities for people in and around the City. Mr. Kolakowski stated this will also allow the City to provide broadband service for the City's Water Treatment Facility, improve operations at the plant, and yield \$6,000 per year in additional revenue.

Councilman Stanley moved that Council approve the Tower Lease Agreement with B2X Technologies, Inc. The motion was seconded by Vice Mayor Wandrei, voted upon and carried by a roll call vote, as follows:

Councilman Hubbard	aye
Councilman Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	absent
Mayor Tharp	aye

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Debbie Roberts, City Treasurer, presented the annual report of uncollected real estate and personal property taxes as of August 14, 2009. Ms. Roberts stated her office collected 98.53% in Real Estate Taxes by August 14, which was very difficult in this economy. Ms. Roberts thanked the employees in her department for their hard work.

The Mayor thanked Ms. Roberts on behalf of City Council.

REAL ESTATE TAX STATUS AS OF AUGUST 14, 2009

TAX YEAR	ASSESSMENT	UNCOLLECTED	COLLECTED
2004-05	\$2,572,073.53	\$ 9,943.10	99.61%
2005-06	\$2,637,738.45	\$ 1,603.32	99.94%
2006-07	\$3,252,727.22	\$ 1,948.95	99.94%
2007-08	\$3,232,761.76	\$ 7,507.52	99.77%
2008-09	\$3,277,421.72	\$48,150.55	98.53%

PERSONAL PROPERTY TAX STATUS AS OF AUGUST 14, 2009

2004	\$1,105,540.92	\$ 5,020.66	99.55%
2005	\$1,146,951.51	\$10,492.83	99.09%
2006	\$ 929,615.99	\$ 2,495.15	99.73%
2007	\$ 977,930.81	\$ 2,809.39	99.71%
2008	\$1,100,686.82	\$16,231.81	98.53%

State Relief Annual Reimbursement is \$280,647.01

City Manager Kolakowski explained the proposed ordinance regarding water and sewer facility fees:

At the City's request, Draper Aden Associates has performed an evaluation of the City's Water and Sewer Facility Fees. Facility Fees are a one-time charge to new customers that are assessed when new service is requested.

A Facility Fee is levied to support existing or planned future capital costs necessary to meet the service needs of the City's customers. These fees are

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intended to provide funding used to finance all or part of the capital improvements necessary to meet the system demands created by new customers. Existing users, through service charges and other fees, have developed a valuable public capital facility, and the facility charge to new users is designed to recognize the “current cost” or “anticipated future cost” of providing the capacity necessary to serve additional users. Existing customers benefit greatly from these Facility Fees because much of the cost of system expansion is shifted to the new development. Therefore, system expansion is supported through the Facility Fees rather than being built into the rate structure (which would impact existing customers as well).

Facility Fees also provide a method of funding for capital projects, can be used to provide funds for rehabilitation or replacement of necessary infrastructure in older systems, can reduce the debt financing required for capital projects, and can reduce the debt service costs included in user fees.

The methodology for determining fees typically involves new users paying a proportionate share of the total “system value” or a share of the total available capacity in the system. The charge is computed by establishing a fixed asset value under a historical or replacement cost basis and allocating this cost over the total number of units of service. An Equivalent Residential Connection (ERC) is a means of relating large-use customers to a base customer (typically a single-family unit served by a 3/4” water meter). An ERC is expressed as a ratio of the base customer unit.

The proposed Facility Fees allow for new customers to “buy in” to the current system and contribute toward the City’s proposed capital improvements plan for needed rehabilitation. The City last adjusted its Facility Fees in 2001 as a result of a rate study completed by Draper Aden Associates. A copy of the most recent Facility Fee Analysis is available for review in the Office of the City Manager.

The City Manager stated the staff recommends that the change in Water and Sewer Facility Fees recommended by Draper Aden Associates be adopted with an effective date of October 1, 2009.

On motion by Councilman Stanley, seconded by Councilman Hubbard, voted upon and carried by a roll call vote, Council adopted the ordinance amending Section 1-16(g) of the City Code in order to implement the change in Water and Sewer Facility Fees as recommended by Draper Aden Associates. Roll call vote follows:

Councilman Rush	aye
Councilman Stanley	aye

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Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	absent
Councilman Hubbard	aye
Mayor Tharp	aye

The Ordinance follows as adopted:

Ordinance No. 09-13

AN ORDINANCE AMENDING SECTION 1-16(g) OF THE CITY OF BEDFORD CODE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, VIRGINIA:

Section 1-16(g) of the Code of the City of Bedford, Virginia, by replacing existing language with the following proposed language:

(g) PUBLIC WORKS DEPARTMENT

Water Facility			
Meter Size		Fee	
	3/4"	\$	2,000.00
	1"	\$	3,300.00
	1 1/2"	\$	6,700.00
	2"	\$	10,700.00
	3"	\$	20,000.00
	4"	\$	33,300.00
	6"	\$	66,700.00
Sewer Facility			
Meter Size		Fee	
	3/4"	\$	2,800.00
	1"	\$	4,700.00
	1 1/2"	\$	9,300.00
	2"	\$	14,900.00
	3"	\$	28,000.00
	4"	\$	46,700.00
	6"	\$	93,300.00

This ordinance shall be effective October 1, 2009.

Councilman Vest moved that Council adjourn into closed session pursuant to Section 2.2-3711(1)(5) of the Code of Virginia of 1950, as amended, for discussion concerning prospective businesses or expansion of current businesses where no prior public disclosure has been made. Councilman Stanley seconded the motion. The motion was voted upon and carried by the following roll call vote:

Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	absent

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Councilman Hubbard	aye
Councilman Rush	aye
Mayor Tharp	aye

Council adjourned into closed session at 7:12 p.m. The following non-council members attended: City Manager Kolakowski, City Attorney Berry, and Assistant City Manager Warner.

Council reconvened into open session at 7:35 p.m.

The Clerk of Council read aloud the following resolution:

BE IT RESOLVED that the Council of the City of Bedford hereby certifies that (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Council.

On motion by Councilman Hubbard, seconded by Councilman Stanley, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	absent
Councilman Hubbard	aye
Councilman Rush	aye
Councilman Stanley	aye
Mayor Tharp	aye

Mayor Tharp adjourned the meeting at 7:36 p.m.